

Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-15 STR-08

CEA-02 DODE-00 PA-03 USIA-15 PRS-01 NIC-01 DRC-01

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R 131642Z SEP 73

FM AMEMBASSY BONN

TO SECSTATE WASHDC 7396

INFO USMISSION BERLIN

AMCONSUL FRANKFURT

AMCONSUL MUNICH

AMCONSUL HAMBURG

AMCONSUL BREMEN

AMCONSUL DUSSELDORF

AMCONSUL STUTTGART

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E.O. 11652: N/S

TAGS: ELAB, GW

SUBJECT: DGB PRESIDENT VETTER OUTLINES UNION ANSWER
TO WILD-CAT STRIKE SITUATION.

REF: BONN 12307, 12417

SUMMARY: 1. USING THE FORUM OF THE WOODWORKERS UNION
CONVENTION SEPT 3-7 IN FREIBURG FOR A BASIC POLICY
SPEECH, DGB PRESIDENT HEINZ OSKAR VETTER CLAIMED THE
RECENT WAVE OF WILD-CAT STRIKES WAS CAUSED BY
ALLEGED EMPLOYER IRRESPONSIBILITY ON PRICES AND LACK OF
EMPLOYER SUPPORT FOR THE GOVERNMENT'S STABILIZATION
PROGRAM. VETTER CALLED FOR GOVERNMENT CONTROLS ON
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PRICES OF MONOPOLISTIC ENTERPRISES, ORGANIZATION OF A

NATIONAL CONSUMER MOVEMENT, IMMEDIATE INCOME TAX REDUCTIONS FOR WORKERS, REFORM OF COLLECTIVE BARGAINING LEGISLATION TO PERMIT UNIONS TO NEGOTIATE UNION SECURITY AGREEMENTS PROVIDING BENEFITS ONLY TO UNION MEMBERS, AND IMPROVEMENT OF QUALITY OF LIFE BY GOVERNMENT CONTROL OF EMPLOYERS' INVESTMENT POLICY. HE CALLED FOR EQUAL LABOR-MANAGEMENT CODETERMINATION IN ALL MAJOR CORPORATION AND REGIONAL CODETERMINATION THROUGH ESTABLISHMENT OF REGIONAL ECONOMIC AND SOCIAL COUNCILS. VETTER'S SPEECH AMOUNTED TO LABOR'S ANSWER TO THE CHANCELLOR'S NATIONAL TELEVISION BROADCAST ON AUG 28 (SEE REF) AND ALSO REFLECTED THE DGB AND MAIN LINE SPD ANSWER TO THE POLITICAL MOVES OF THE VARIOUS RADICAL AND COMMUNIST GROUPS DURING THE RECENT WAVE OF WILD-CAT STRIKES. THIS ANSWER WAS DISCUSSED WITH CHANCELLOR BRANDT AND OTHER TOP SPD GOVERNMENT AND PARTY REPRESENTATIVES. END SUMMARY.

2. VETTER WARNED "CERTAIN FRIENDS IN THE FEDERAL GOVERNMENT", MEANING FINANCE MINISTER SCHMIDT AND ECONOMIC MINISTER FRIEDRICHS, THAT THE DGB WILL NOT TOLERATE "A TREND OF ECONOMIC DEVELOPMENTS WHICH PLAYS WITH THE RISK OF UNEMPLOYMENT." HE CALLED FOR THE FOLLOWING ACTION BY THE FEDERAL GOVERNMENT AND THE SPD AND FDP COALITION PARTIES AND BY DGB UNIONS:

(A) GOVERNMENT CONTROL OF MONOPOLISTIC ENTERPRISE PRICES AND THE PUBLICATION AND JUSTIFICATION OF ALL FUTURE PRICE INCREASES AS A FIRST STEP FOLLOWED BY GOVERNMENT APPROVAL OF PRICE INCREASES ON CERTAIN VITAL COMMODITIES.

(B) TRANSFER OF LAND AND REAL ESTATE OWNERSHIP IN HIGHLY-URBANIZED AREAS TO LOCAL GOVERNMENTS BECAUSE OF INTOLERABLE RENT AND REAL ESTATE SPECULATION AND PROFIT-EERING BY THE FEW REAL ESTATE OWNERS.

(C) IMMEDIATE TAX REDUCTIONS FOR WORKERS BY INCREASE-
ING TAX-EXEMPTIONS.

(D) UNION EFFORTS IN FUTURE COLLECTIVE BARGAINING TO MAKE UP FOR ANY LOSSES IN NET REAL EARNINGS CAUSED BY LIMITED OFFICIAL USE

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CURRENT INFLATION, PROGRESSIVE INCOME TAX RATES AND HIGHER SOCIAL SECURITY DEDUCTIONS, AND PRICE INCREASES TO BE ANTICIPATED NEXT YEAR. THE UNIONS SHOULD NOT ALLOW THEMSELVES TO BE DIVERTED BY EMPLOYER OFFERS OF SAVINGS INCENTIVE PROGRAMS, HE SAID.

(E) REFORM OF COLLECTIVE BARGAINING LEGISLATION TO PERMIT UNIONS TO NEGOTIATE "UNION SECURITY" CLAUSES GRANT-

ING COLLECTIVE CONTRACT BENEFITS ONLY TO UNION MEMBERS.
HE ALSO CALLED FOR THE REMOVAL OF ALLEGED RESTRICTIONS
ON THE RIGHT TO STRIKE BY SOME SUPREME COURT DECISIONS
WHICH HOLD UNIONS FINANCIALLY LIABLE FOR ABIDING BY
CONTRACT TERMS, THE ELIMINATION OF EMPLOYERS'
RIGHT TO IMPOSE A LOCK-OUT IN RESPONSE TO UNION-SPONSORED
STRIKES, AND THE GRANTING OF THE RIGHT TO STRIKE TO CIVIL
SERVANTS.

(F) REFORMS OF THE FINANCIAL BURDEN OF EDUCATION, BETTER

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HEALTH CARE AND ENVIRONMENT PROTECTION BY REPLACING SUCH
SOURCES OF SUPPORT AS WAGE RESTRAINT, WORKER AUSTERITY

AND HIGHER TAXES WITH GOVERNMENT PLANNED CONTROLS AND DIRECTION OF EMPLOYERS' INVESTMENT POLICY TO ELIMINATE THE BASIC CAUSES OF ENVIRONMENTAL DAMAGE.

(G) ACTION ON THE EXTENSION OF CODETERMINATION. THE UNIONS, HE SAID, WILL NOT ACCEPT ANY SPD-FDP COALITION COMPROMISE THAT IGNORES THE FOLLOWING THREE BASIC DGB CONDITIONS: (1) EQUAL REPRESENTATION OF LABOR AND STOCKHOLDERS ON THE BOARD OF SUPERVISORS; (2) THE RIGHT OF THE UNION LEADERSHIP TO DELEGATE UNION REPRESENTATIVES FROM OUTSIDE THE PLANT AS MEMBERS OF THE BOARDS OF SUPERVISORS OF LARGE CORPORATIONS; (3) REPRESENTATIVE OFFICIAL USE

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REPRESENTATION OF MANAGERIAL EMPLOYEES ON THE BOARD OF SUPERVISORS WILL BE ACCEPTABLE ONLY AS MEMBERS OF THE LABOR GROUP AND WITHOUT ANY SEPARATE ELECTIONS FOR THIS GROUP.

(H) REFORM OF THE ALLEGED ECONOMIC MONOPOLY OF EMPLOYERS THROUGH CHAMBERS OF INDUSTRY AND COMMERCE AND HANDICRAFT CHAMBERS BY THE ESTABLISHMENT OF REGIONAL ECONOMIC AND SOCIAL COUNCILS WITH EMPLOYERS AND TRADE UNIONS REPRESENTED.

COMMENT: 3. VETTER'S MILITANT SPEECH, WHICH WON STRONG SUPPORT AT THE WOODWORKERS CONVENTION, AMOUNTS TO AN UPDATING OF THE DGB'S NATIONAL LEGISLATIVE GOALS (A-951, NOV 2, 1972) TO FACE THE CHALLENGE OF THE WILD-CAT STRIKE SITUATION AND OF RADICAL GROUPS ATTEMPTING TO UNDERMINE DGB LEADERSHIP OF ITS RANK AND FILE MEMBERS. IT ALSO REPRESENTS PRESSURE ON THE FEDERAL GOVERNMENT AND PARTICULARLY ON THE JUNIOR COALITION PARTNER, THE FDP, WITH ITS CRITICISM OF THE RESULTS OF THE GOVERNMENT'S ECONOMIC STABILITY PROGRAM, AND DGB DEMANDS FOR PRICE AND INVESTMENT CONTROLS WHICH THE FEDERAL GOVERNMENT, AND PARTICULARLY ECONOMICS MINISTER FRIDERICH (FDP), OPPOSE.

4. THE DGB'S SIMULTANEOUS ANNOUNCEMENT OF A NATIONAL ORGANIZED CONSUMER CAMPAIGN TO INFORM CONSUMERS ON MANAGEMENT MANIPULATION OF PRICES, WHICH WILL BE SUPPORTED BY THE SPD, IS DESIGNED TO TRANSFER THE BLAME FOR INFLATION FROM THE FEDERAL GOVERNMENT TO THE EMPLOYERS, AND PARTICULARLY TO MULTINATIONAL COMPANIES. THESE POLEMICS ALSO REPRESENT A TACTICAL MOVE TO CHANNEL THE RECENT WAVE OF WILD-CAT STRIKES INTO DGB-LED ACTIVITY. HOWEVER, THEY LESSEN GOVERNMENT HOPES THAT THE UNIONS MAY BE PERSUADED TO CONTINUE TO COOPERATE WITH ITS ECONOMIC STABILITY PROGRAM. MEANWHILE THE METALWORKERS UNION AND THE CONFEDERATION OF METAL EMPLOYERS'

ASSOCIATIONS IN THEIR SUMMIT TALKS LAST WEEK FAILED TO
REACH ANY AGREEMENT ON THE REOPENING OF CONTRACTS OR THE
NEGOTIATION OF A WAGE SUPPLEMENT. SO FAR INDICATIONS
ARE THE CLIMATE IS BUILDING UP FOR TOUGH NEGOTIATIONS ON
MAJOR COLLECTIVE CONTRACTS SUCH AS IN THE METAL
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INDUSTRY WHICH EXPIRE IN DECEMBER. HILLENBRAND

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Disposition Date: 28 MAY 2004
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